GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:989
ANSWERED ON:04.12.2015
Fund Allocation for New Capital
Singh Shri Abhishek

Will the Minister of FINANCE be pleased to state:

(a) the funds allocated to the States for building new capitals under the 13th and the 14th Finance Commissions, State-wise during the last three years and the current year;

(b) whether the Government has received any proposals for a hike in the funds particularly made post implementation of the 14th Finance Commission;

(c) if so, the details thereof and the reasons therefor;

(d) whether the Government has adopted uniform standards in fund allocation for building of capital in the new States, if so, the details thereof and if not, the reasons therefor; and

(e) the corrective steps taken by the Government in this regard?

Answer

(a): Thirteenth Finance Commission (FC-XIII) had, during its award period 2010-15, recommended under scheme of State Specific Needs, a grant of Rs.550 crore for Development of the New Capital City for Chhattisgarh out of which Rs. 412.50 crore was released to Chhattisgarh during the award period. No such funds has been recommended by the Fourteenth Finance Commission (FFC) for its award period 01-4-2015 to 31-3-2020. Further, as per the Andhra Pradesh Reorganization Act, 2014, the successor State of Andhra Pradesh was provided Rs.1500 crore for construction of Raj Bhavan and for creating infrastructure facilities in the new capital of the state during 2014-2015. Besides, one time assistance of Rs.350 crore for new capital of the Andhra Pradesh State has also been released during the current fiscal year under Demand for Grant No. 37.

(b) and (c): There are no proposals from the States for a hike in the funds for the development of new Capital. Fourteenth Finance Commission has recommended increased devolution of 42% of the net proceeds of central taxes to the States (during its award period 2015-20). The corresponding recommendation of the Thirteenth Finance Commission (during its award period 2010-15) was only 32%. The Government has accepted this recommendation of the Fourteenth Finance Commission.

(d) & (e): There is no uniform standard in allocation of funds for new capital city as the conditions vary across the States and allocation is made on case to case basis.

****